



# City and Borough of Sitka

100 Lincoln Street • Sitka, Alaska 99835

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## MEMORANDUM

**To:** Honorable Mayor Gary Paxton  
Members of the Assembly

**From:** David E. Miller, Interim Municipal Administrator

**Date:** July 16, 2019

**Subject:** Dedication of GPIP Lot 17 for Critical Secondary Water Treatment project

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### **Requested Action**

The City and Borough of Sitka (CBS) requests that the Assembly approves Ordinance No. 2019-33, removing Sawmill Cove Industrial Park Lot 17 (GPIP Lot 17), GPIP Lot 18 and a portion of the easement east of GPIP Lot 17 from the Gary Paxton Industrial Park (GPIP).

### **Summary**

Please refer to <https://www.cityofsitka.com/government/departments/publicworks/projects.html> for complete background information on this project.

CBS consultant CRW Engineering Group completed a *Filtration Evaluation for Critical Secondary Water* (CRW report), which recommended construction of an intermittent granular filtration plant treating Sawmill Creek water, adjacent to the existing Ultraviolet (UV) Facility. The CRW report estimates a total project cost for a granular filter plant on GPIP Lot 17 of \$18.0 million. This is the cost that the project budget is based on. The CRW report estimates a total project cost of a granular filter plant at the Pulp Mill Filter Plant of \$28.8 million. Attached Figure 1 shows the location of the two sites. If the Assembly favors the Pulp Mill Filter Plant site for this project, Public Works will have to request an appropriation for an additional \$10 million to complete the project, which would result in the need for a significant rate increase.

The CRW report also compares “design considerations” for the three sites. The considerations are summarized in a document found at the web link above. In general, the items that make GPIP Lot 17 the better option are:

1. GPIP Lot 17 provides a better-understood and less-risky surface to build a treatment plant on. A facility built at the Pulp Mill Filter Plant lot would be founded on an existing concrete slab that may or may not support the weight of the building. Further geotechnical study would be required. If the study reveals that additional foundation work is required, the \$28.8 million cost estimate cited above would increase.

2. Construction of the pipe conveying Sawmill Creek water to Lot 17 would be less expensive and less risky than a pipe conveying water to the Pulp Mill Filter Plant lot. The Pulp Mill pipeline would have to be secured to a cliff face that a geotechnical study indicated is unstable. This would also make maintenance of the pipe more costly and risky. Disposal of filter backwash would be easier and less expensive at GPIIP Lot 17. Access to both disposal options – into an existing stormwater system, or into the sanitary sewer system – is more readily available from GPIIP Lot 17.

Ordinance 00-1568 establishes the boundaries of the Gary Paxton Industrial Park. GPIIP Lots 17 and 18 are within these boundaries, even though Lot 18 is where the UV Facility is located. If the Assembly passes the ordinance requested in this memo, CBS will move to create a new subdivision combining Lots 17 and 18 into one parcel, and incorporating some property currently within a Sawmill Cove Industrial Park Subdivision Common Use and Utility Easement into the new water treatment plant parcel. Figure 2 shows the proposed configuration of the new combined lot. The plat for Sawmill Cove Industrial Park Resubdivision No. 1, which describes the intended purpose of the Common Use Easement, is attached as Figure 3. Separately, CBS is working with the State of Alaska to acquire additional right-of-way north of and adjacent to Lot 17, which would be added to the combination parcel. It is also shown on Figure 2.

CBS staff met with the GPIIP Board at their scheduled July 8, 2019, meeting to solicit their input prior to the July 23 Assembly meeting. CBS explained their preference for GPIIP Lot 17, and requested the board's concurrence. The GPIIP Board voted unanimously to "approve the City and Borough of Sitka (CBS) requests that the Assembly approves Ordinance No. 2019-[33], removing Sawmill Cove Industrial Park Lot 17 (GPIIP Lot 17), GPIIP Lot 18 and a portion of the easement east of GPIIP Lot 17 from the Gary Paxton Industrial Park (GPIIP)." Meeting minutes are appended at Attachment 1.

Proposed Ordinance 2019-33 is appended at Attachment 2.

### **Fiscal Note**

From an accounting perspective the City and Borough of Sitka divvies up its assets by assigning them to the most appropriate fund from a financial standpoint, though technically, all assets are owned by the CBS. If the transfer of GPIIP Lot 17 is approved, the CBS would transfer the value of the asset from the GPIIP Fund to the Water Fund.

### **Background**

CBS needs a backup water source during periods when the Blue Lake penstock system is unavailable due to emergencies or maintenance, and for when Blue Lake water is too turbid to treat exclusively with ultraviolet radiation.

Sitka General Code Chapter 2.38 establishes the boundaries for GPIIP. A figure showing the approximate boundaries of GPIIP is appended at Attachment 3. A parcel of GPIIP located in the vicinity of the Beaver Lake Trailhead at Herring Cove is not shown on this figure.